



PUBLIC NOTICE

Federal Communications Commission
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DA 01-2417
Released: October 30, 2001

COMMISSION SEEKS COMMENT ON APPLICATION FILED BY VARTEC TELECOM HOLDING COMPANY AND TELEGLOBE HOLDINGS (U.S.) CORPORATION FOR CONSENT TO TRANSFER CONTROL OF EXCEL COMMUNICATIONS, INC. AND ITS WHOLLY-OWNED SUBSIDIARIES, EXCEL TELECOMMUNICATIONS, INC., EMERITUS COMMUNICATIONS, INC. D/B/A DIAL & SAVE CORPORATION, AND LONG DISTANCE WHOLESALE CLUB, INC.

PLEADING CYCLE ESTABLISHED

CC Docket No. 01-300

On October 3, 2001, VarTec Telecom Holding Company ("VarTec") and Teleglobe Holdings (U.S.) Corporation ("Teleglobe Holdings") filed an application requesting authority pursuant to § 214 of the Communications Act of 1934, as amended ("the Act"), 47 U.S.C. § 214, and Section 63.01 of the Commission's Rules, 47 C.F.R. § 63.01, to transfer control of the domestic, interstate operation of Excel Communications, Inc. ("Excel U.S.") and its wholly-owned subsidiaries, Excel Telecommunications, Inc., eMeritus Communications, Inc. d/b/a Dial & Save Corp., and Long Distance Wholesale Club, Inc. from Teleglobe Holdings' ultimate parent, BCE Inc. to VarTec.

BCE Inc. directly owns 77.02% of Teleglobe Inc. with the other 22.98% percent owned by Bell Canada, which is itself 80% owned by BCE Inc. and 20% owned by SBC Communications, Inc. Teleglobe Holdings Inc. is a wholly owned subsidiary of Teleglobe Inc, whose holdings also include Teleglobe Canada Limited Partnership. Teleglobe Inc. also owns all of the authorized capital stock of Excel Telecommunications (Canada) Inc. ("Excel Canada"). Excel Canada provides interexchange telecommunications services throughout the entire country of Canada.

Teleglobe Holdings owns all of Excel U.S.' authorized capital stock. Excel U.S., through its ownership of intermediary companies controls 100% of the equity of three wholly-owned subsidiaries that provide domestic, interstate interexchange telecommunications services throughout the U.S. Those Excel subsidiaries are: Excel Telecommunications, Inc., eMeritus Communications, Inc. d/b/a Dial & Save Corp., and Long Distance Wholesale Club, Inc.

VarTec has agreed to acquire from Teleglobe Holdings all of Excel U.S.' authorized capital stock.¹ VarTec has also agreed to acquire from Teleglobe Inc. all of Excel Canada's authorized capital stock. VarTec is a wholly-owned subsidiary of VarTec Telecom, Inc., which provides interexchange telecommunications services in 49 states. After the acquisition of Excel's stock, VarTec will control Excel Canada and Excel U.S. directly, while also indirectly controlling each of Excel U.S.' three wholly-owned subsidiaries.

VarTec and Teleglobe assert that granting this application, will serve the public interest, convenience and necessity by promoting competition in the domestic, interstate interexchange services market. Applicants assert that by combining the financial resources and managerial expertise of VarTec Telecom, Inc., Excel Canada, Excel U.S. and Excel U.S.' subsidiaries, the proposed transfer of control will create a stronger competitor that is better able to serve the public, and competition will benefit U.S. consumers by increasing service options and lowering prices.

DOMESTIC SECTION 214 APPLICATION

Part 63 – Domestic Service (47 C.F.R. § 63.01)

An international section 214 application has been filed by VarTec and Teleglobe Holdings relating to the same transaction and it is currently pending².

¹ VarTec, Teleglobe Inc. and Teleglobe Holdings executed a Stock Purchase Agreement dated August 26, 2001, Exhibit B to its application, for which it has requested confidential treatment.

² VarTec Telecom, and Teleglobe Inc. have filed a separate application with the Commission's International Bureau. See Application for Consent to Transfer Control of Excel Communications, Inc and its wholly-owned subsidiaries, Excel Telecommunications, Inc. Emeritus Communications, Inc. d/b/a Dial & Save Corporation, and Long Distance Wholesale Club, Inc. (File Nos. ITC-T/C-20011010-00528; ITC-T/C-20011010-00529 and ITC-T/C-20011010-00530). The application for consent to transfer control to VarTec Telecom of international section 214 authority held by Teleglobe Inc. was found, upon initial review, to be acceptable for filing and subject to the streamlined processing procedures set forth in section 63.12 of the Commission's rules. See *Streamlined International Application Accepted for Filing*, Report No. TEL-00457S (rel. October 26, 2001); see also 47 C.F.R. § 63.12.

GENERAL INFORMATION

The transfer of control requests identified herein have been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Interested parties may file petitions to deny within 30 days following the release of this Public Notice.³ Final action will not be taken on the applications earlier than 31 days following the date of this Public Notice.⁴

All filings concerning any or all matters in this Public Notice should refer to **CC Docket No. 01-300**. An original and 4 copies of all pleadings, in accordance with Section 1.51(c) of the Commission's rules, 47 C.F.R. § 1.51(c), must be filed with the Commission's Secretary, Magalie Roman Salas, 445 12th Street, S.W., TW-B204, Washington, D.C. 20554. In addition, one copy of each pleading must be delivered to each of the following: (1) Qualex International, Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C., 20554, telephone (202) 863-2893, facsimile (202) 863-2898; (2) Janice Myles, Common Carrier Bureau, 445 12th Street, S.W., 5-B145, Washington, D.C. 20554; (3) Nandan Joshi, Office of General Counsel, 445 12th Street, S.W., 8-A820, Washington, D.C. 20554; (4) William Dever, Common Carrier Bureau, 445 12 Street, S.W., 5-C266, Washington, D.C. 20554.

In addition to filing paper comments, parties may also file comments using the Commission's Electronic Comment Filing System (ECFS). *See* Electronic Filing of Documents in Rulemaking Proceedings, 63 Fed. Reg. 24,121 (1998). Comments filed through the ECFS can be sent as an electronic file via the Internet to <http://www.fcc.gov/e-file/ecfs.html>. Generally, one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To obtain filing instructions for e-mail comments, commenters should send an e-mail to ecfs@fcc.gov, and include the following words in the body of the message, "get form <your e-mail address>." A sample form and directions will be sent in reply. This document may also be purchased from the Commission's duplicating contractor, Qualex International, Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C., 20554, telephone (202) 863-2893, facsimile (202) 863-2898, or via e-mail qualexint@aol.com.

For further information, contact Tracey Wilson, at (202) 418-1394 or Bill Dever, Policy and Program Planning Division, Common Carrier Bureau at (202) 418-1578.

³ *See, e.g.*, 47 C.F.R. § 63.52(c) and 47 C.F.R. § 1.939(a)(2).

⁴ *See* 47 C.F.R. § 63.52(b); 47 U.S.C. § 309(b).